

UCB-POR Workshop
July 30th & 31st – Integrys Office, Chicago
Meeting Notes

Tariff items regarding pricing & cost recovery

Ameren Tariff Discussion:

- ❖ Discussion of Ameren hand-out document
- ❖ Group A & B
 - Migration
 - It doesn't require full 12 months for Group A & full 12 months for Group B but combination of both to equal 12 months.
- ❖ Grandfathering provision?
- ❖ All or none.
- ❖ Grandfather Issue
- ❖ RES contracts
- ❖ All or nothing
 - Need for transitional approach?
 - Permanent rules w/ more flexibility?
- ❖ Ameren to consider grandfathering previous customers.
- ❖ Ameren to consider summary billing under existing rules.
- ❖ NY – "All or None".
- ❖ Single weighted discount rate
- ❖ Amount of bad debt (see slide)
- ❖ Parity of under/over recovery mechanisms

ComEd Tariff Discussion:

- ❖ Ameren document for basis of discussion
- ❖ 6 different discount rates.
- ❖ May market to customers who later may be ineligible.
- ❖ Difficult to initially market.
- ❖ On-going rate assignment
- ❖ Move to dual if no longer eligible.
- ❖ 60 day notice for terminating rider applicability.
- ❖ 1 agreement covers all sub-groups – ComEd to confirm.
- ❖ Rider is applicable for 12 months.
- ❖ No past due prohibition.
- ❖ All-in by group.
- ❖ ComEd enrolls by account vs. Ameren enrolls service point.
- ❖ Timing of reassignment notices – at cycle billing so next billing period.
- ❖ No single weighted average discount rate.

- ❖ ComEd plans to socialize costs.
- ❖ Only uncollectibles will be in discount rate.
- ❖ Plan to update annually.
- ❖ Discount rate based on ARES experience?
- ❖ ComEd will remit at 32 days sales outstanding (DSO).
- ❖ Day bill is mailed to when money is received = 32 days.
- ❖ ComEd will not pay on RES portion if disputed by customer.

Enrollment Process

- ❖ Discussion of Document
- ❖ RES can rescind enrollment request up until 2 days before bill window.
- ❖ Activation date = scheduled read date.
- ❖ Proposal is for ComEd to 100 kW and Ameren to 150 kW.
- ❖ First DSAR wins, subsequent rejected.
- ❖ 10 calendar days – Customer rescind
- ❖ 3 business days – RES rescind
- ❖ 45 days (calendar) is maximum
- ❖ Customer letter states:
- ❖ 2 dates;
 - Full 10 days
 - Letter goes out switch date
 - Rescind date
- ❖ Consider –
 - If fixed calendar day falls on a weekend (non-business) day, make effective day next business day.
- ❖ 10 calendar day for mass market customer rescind period; current rescind period remains for non-mass market customers

Meter/Account # Enrollment

- ❖ CUB to provide issues
- ❖ Kim to send enrollment scenarios.

Initial Customer Referral Program Discussion

- ❖ Should these programs be rolled into upcoming UCB/POR tariff filing or a separate filing?
- ❖ At present time, customer referral programs will not be included in upcoming UCB/POR tariff filings, but utilities will NOT lose sight of separate filing later
- ❖ How to address consumer thresholds?
 - Amend existing rules and regulation?
 - Develop new rules?

Consumer Education Campaign-Funding

- ❖ Previous Plug-In in IL campaign had funding
- ❖ SB1299 includes no spending authority for consumer education then who pays for such a campaign?
- ❖ Torsten suggests NY's "Power to Choose" web site; TX has a similar web site; possibly both use same service/third party
- ❖ Funding for incentives and referral programs-financial to utilities, switching statistics
- ❖ Cost recovery for customer referral – suppliers? All customers?
- ❖ Suggested fixed price per customer referral to be paid by the RES to the utility; not done in NY now; NY experience is a mixed bag with some utilities supporting referral program well and some are not
- ❖ If fixed price structure to be a discount from utility's price, then there is an additional pricing risk to the ARES
- ❖ Some experience is that participating in referral programs higher in first years of implementation of program than later
- ❖ On-going program may work in IL due to customer relocation in territory; may change or evolve though; NY not doing new services but if IL does new services on-going programs may work; CT passed program for new service only
- ❖ NY – rules to how ARES participate in the referral programs
- ❖ Experience is that once referred customer leaves utility service a high percentage remain off of utility service

Consumer Education - Issues

- ❖ Who pays?
- ❖ What aspects of competition do people need education on?
- ❖ Most effective means of accomplishing?
- ❖ Who should do education?
- ❖ Disclosure statement –
 - suggest customer acknowledge receipt of this when using internet sign-ups
 - suggest multiple question approach to educate consumers as to what they are buying
 - recognize some customers don't have internet access
- ❖ Customers need to be educated on certain terms
 - codify "fixed rate" and "variable rate" used in contract definitions
 - explain "affiliate" and affiliate relationships to customer
- ❖ Dispute resolution and who customer calls on dispute
- ❖ Environmental disclosure on the up-front side; Federal Trade Commission may regulate in future; some ARES may send such disclosures with contracts

- ❖ Complaint process and who customer files complaints with and how; now complaints are sent to the ICC
- ❖ Utilities have follow up item to see if they can track “complaints”; issue as to whether a call is determined to be a true complaint or not; this piece is not included in cost estimates to-date
- ❖ Helpful for utility to supply RES with mock-up copy of utility bill – utility web sites also helpful

Communication Ideas

- ❖ Utility bill inserts/bill messages
- ❖ Supplier fairs
- ❖ ICC events
- ❖ Schools
- ❖ AARP publications/events
- ❖ Public Service Announcements (PSAs)
- ❖ Town hall/Deregulation education meetings,
- ❖ Home shows/Energy efficiency workshops
- ❖ Chamber meetings
- ❖ Utilities need mechanism for cost recovery for education materials
- ❖ Logo campaign/web site announcement campaign
- ❖ Any value to combining with gas utilities (up north since Ameren is dual fuel in some of its territory)
- ❖ CUB Fact Sheets

Referral Programs

- ❖ Cost recovery is needed
- ❖ Assume one introduction discount price to move customers to market
 - easy to train
 - easy to calculate
- ❖ 2 months seemed reasonable
- ❖ Timing: As soon as possible but also dependent on utility pricing; nice to have day one but not essential; within 6 months of UCB may be preferable
- ❖ Ameren anticipates offering RES the referral due to agency concerns but not anticipating doing enrollments; will sign customer up one program but RES would do enrollments with current process; may be additional costs for RES to reprogram their systems since different than NY
- ❖ In NY utility enrolls customer to a RES
- ❖ Ameren to consider use of an FTP site for passing this information back and forth to RES
- ❖ Not necessarily UCB/POR but this forces testing of rate ready or bill ready for ARES who may not have otherwise used the product
- ❖ If ARES enrolls, they select billing option and mails contract/confirmation to customer; then makes subsequent offer to customer

- ❖ Key is recording of call
- ❖ RES think effectiveness of program is based on spontaneity factor
- ❖ Fixed percentage is what Ameren has proposed but RES need to agree on that percentage
- ❖ Easiest way for Ameren to implement as a rate ready concept but need agreement for all ARES to do it this way; need RES input
- ❖ Discussion on bill implementation on one line or original price line plus a credit line; NY does one line
- ❖ How to inform in-bound customers calling?
 - Introductory product information brought up to CSRs on screens on new connection
 - Leverage on other types of calls – i.e. High bills complaints, etc.
- ❖ NY customers who pay on-line are driven to consumer education, customer choice, introductory offer web pages; seems to be successful
- ❖ RES need to decide what goes into the referral transaction
- ❖ New construction not eligible
- ❖ Transferable? Only at new premise is the proposal.